

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA

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Interpretation and implementation of the Convention

IMPLEMENTATION AND MONITORING OF NATIONALLY ESTABLISHED EXPORT QUOTAS FOR SPECIES LISTED IN APPENDIX II OF THE CONVENTION

1. This document has been submitted by the United States of America.

Introduction and Historical Background

As an importer and exporter of species listed on the CITES Appendices, the United States is concerned about trade in excess of nationally established export quotas, and the potential detrimental impact that collection and trade above quotas may have on some wild populations. This discussion paper outlines these concerns, presents evidence of problems in the management of quotas, and suggests a basis for further discussions.

Nationally established Appendix II export quotas in particular have become important tools for CITES to monitor and regulate trade. Although the use and implementation of export quotas for Appendix II species are not described in detail either in the text of the Convention or a current Resolution of the Conference of the Parties (COP), quotas have become an essential component for the implementation of CITES in many Parties.

Nationally established export quotas are used to regulate trade in live specimens and parts and products of a variety of taxa. Although the vast majority of export quotas reported to the Secretariat are for animals, the use of quotas for plants may be increasing, as evidenced by the ten plant quotas reported by three Parties for 2002. In 2002, 63 Parties reported export quotas for Appendix II species (CITES Secretariat Website; May 2002), about a 20% increase over the 51 Parties that reported quotas in 2001. (This does not include quotas reported for sturgeon under Dec. 11.58).

While most Appendix II export quotas are set voluntarily by the Parties (Resolution Conf. 11.2 (Rev.)), quotas can be set by the COP through a Resolution or Decision, or by recommendations from the Standing Committee, via authority designated by the COP (Resolution Conf. 11.1 or Resolution Conf. 8.9 (Rev.)).

Examples of export quotas set by the COP through annotations to a listing include cheetah (*Acinonyx jubatus*; °603), pangolin species (*Manis* spp; °612), and African spurred tortoise (*Geochelone sulcata*; °613).

Examples of export quotas set by recommendation of the Standing Committee include those for Madagascar chameleons (*Furcifer* = *Chamaeleo* spp.) and day geckos (*Phelsuma* spp.), and pancake tortoises (*Malacochersus tornieri*). However, quotas set under recommendations of the Standing Committee are still best described as nationally established export quotas, as their actual legal basis falls under the authority of the domestic laws and/or regulations of a Party.

Within the CITES context, the use of export quotas has a fairly long and complicated history. This complexity is partly the result of the linkage of export quotas to the down-listing of species from Appendix I to II. Ranching requirements, particularly as they relate to crocodilians, are an example of this (Resolution Conf. 11.16, "Ranching and trade in ranched specimens of species transferred from Appendix I to Appendix II").

The evolution of export quotas has tracked through a number of resolutions, starting with one governing how species are transferred from Appendix I to II (Resolution Conf. 1.2, later modified by Resolutions Conf. 2.23,

5.21, and 7.14). Eventually, Resolution Conf. 10.2 (Rev.) (“Permits and certificates”) was adopted with additional guidance, albeit minimal, provided to the Parties for the implementation of export quotas for species listed on any of the three Appendices (paragraphs II. i) and j)). In addition, Conf. 11.16 was adopted, but it also lacks specific guidance for the implementation of quotas.

Resolutions currently exist for export quotas for sport-hunted leopard trophies (Resolution Conf. 10.14; “Quotas for leopard hunting trophies and skins for personal use”), markhor trophies (Resolution Conf. 10.15 (Rev.); “Establishment of quotas for markhor hunting trophies”), and other Appendix I species (Resolution Conf. 9.21; “The interpretation and application of quotas for species included in Appendix I”).

A brief description of some quota systems, both for Appendix I and II species, is provided in Annex 1.

The vast majority of CITES species covered by export quotas are listed on Appendix II. However, as cited above, only Conf. 10.2 (Rev.) provides any real guidance to the Parties on employing export quotas for Appendix II species. The relevant text is limited to a single paragraph that reads:

“...when a country has voluntarily fixed national export quotas for specimens of species included in Appendix I, for non-commercial purposes, and/or in Appendices II and III, it inform the Secretariat of the quotas before issuing export permits and of any changes thereto as soon as they are made and it state on each export permit the total number of specimens already exported in the current year (including those covered by the permit in question) and the quota for the species concerned...”

The Purposes or Uses of Appendix II Export Quotas

The proper use of export quotas can “demonstrate sustainable management of wildlife resources and the making of non-detriment findings [and] can also assist [in] the detection and deterrence of illegal shipments.”ⁱ The following are some, but probably not all, purposes of an Appendix II export quota, or the reasons why some Parties use them.

1. Export quotas facilitate issuance of CITES export permits. Annual export quotas are normally based on a single non-detriment finding which should be derived from population monitoring and sound adaptive management practices. This eliminates the need for shipment-by-shipment non-detriment findings.
2. Parties communicate the limit for species-specific exports in a given year, providing the CITES community with a simple measure to monitor and enforce legal trade volumes.
3. Export quotas can serve as the basis for monitoring and controlling trade and are related to national harvest quotas, suggesting that both harvest and export trade are well managed and sustainable.ⁱⁱ
4. Export quotas can provide Parties with significant data and information necessary to properly implement their management systems. This, in turn, can provide a meaningful return to the conservation of species’ populations.

The use of quotas can be particularly valuable for exporting Parties. They can serve as the basis for monitoring and controlling trade within a managed and sustainable harvest from the wild. However, in order to receive the benefits of a quota system, exporting Parties need to develop scientifically based methods for establishing appropriate quotas, and to monitor the issuance of permits within the numerical limits of the quota, and report the usage of quotas to the Secretariat in a timely manner.

ⁱ SC45 Doc. 11.2; “Enforcement matters” (Export Quotas); p.3.

ⁱⁱ Because CITES only regulates international trade, export quotas function independently of national limits on take of specimens from the wild, or the production of offspring in captivity.

If population monitoring and sound adaptive management practices are employed, quotas can theoretically be adjusted during a calendar year. However, in practice, few Parties make changes to their reported quotas during the year, instead they make adjustments when reporting new quotas in the subsequent year.

When quotas are exceeded, some Parties have stricter domestic measures that can restrict imports of specimens in excess of the reported quotas. Confusion and uncertainty in the use of quotas can cause importing countries to question permits or halt trade in a particular species.

WCMC Analysis of Reported Trade Export Quota Taxa in 1999

The World Conservation Monitoring Centre (WCMC) reviewed 1999 CITES annual report data (the last year of complete available data).

WCMC data show that twenty-one Parties may have exceeded their quotas for 1999, with fifty-nine (59) separate quotas possibly surpassed to varying degrees.ⁱⁱⁱ However, WCMC noted that a variety of reporting and monitoring, permit issuance, and interpretation problems have contributed to a situation in which it is unclear what specific quotas were exceeded, by how much, and whether some quotas were properly reported in the first place. In 1999 some quotas were only exceeded by a few specimens, which does not represent a serious cause for concern in most cases. However, other quotas may have been exceeded by large margins, and subsequent risks to wild populations should be considered.

Table 1 provides a summary of the quotas, by taxa, that may have been exceeded.

Table 1 - Quotas potentially exceeded in 1999; by taxa^{iv}

Taxa Level	Quotas Exceeded	Notes
FAUNA	67 total	
Mammals	4	Includes potentially high overages for <i>Ovis ammon</i> and captive bred <i>Macaca fascicularis</i> .
Birds	12	Includes potential overages on quotas for <i>Psittacus erithacus</i> and high overages for <i>Cyclopsitta diophthalma</i> .
Reptiles	41	Approximately sixty (60%) percent of all quotas potentially exceeded were for live reptiles.
Amphibians	0	Eight (8) quotas were set for amphibians in 1999, but none appear to have been exceeded.
Invertebrates	1	Potential high overage for wild <i>Pandinus imperator</i> specimens.
Coral	1	Potentially exceeded at the genus level for <i>Acropora</i> spp.
Mollusks	1	Potential high overage for ranched meat from <i>Strombas gigas</i> , exported by a non-Party.
Fish	5	Potentially exceeded for caviar from four sturgeon species; data reporting uncertainties exist.
FLORA	2 total	
Bulbs	1	Quota potentially slightly exceeded.

ⁱⁱⁱ World Conservation Monitoring Centre (WCMC). Adherence to 1999 annual export quotas (unpublished report to the CITES Secretariat).

^{iv} Based on unpublished WCMC report to the Secretariat, footnote #3. Some species had multiple quotas set for them by different (or the same) Parties (i.e. *Psittacus erithacus* or *Python regius*).

Tree Ferns	1	Potential high overages for “tree fern stalks” recorded as “timber pieces;” uncertainty on data reporting and trade levels.
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Current problems implementing and managing Appendix II export quotas

Problems implementing nationally established Appendix II export quotas involve permit issuance, monitoring, and implementation and compliance with quota limitations by both exporting and importing Parties. (Issues related to problems in the establishment and setting of export quotas are covered in the discussion paper “Nationally established export quotas for Appendix II species: the scientific basis for quota establishment and implementation,” submitted by the United States).

Of the twenty-one Parties that may have exceeded their own export quotas in 1999, there was a wide range in the overage amounts. Roughly half of the overages were serious, representing at least 150% of the reported quota. (For example, for a quota of 1,000 specimens, a “serious” overage would be trade of at least 1,500 specimens).

A description of some of the current problems in the implementation of export quotas for Appendix II species is included in Annex 2.

Table 2 provides a summary of the quotas that may have exceeded based on WCMC data.

Table 2 - Quotas potentially exceeded in 1999; based on reported trade

Range of Potential Overages	Quotas Exceeded	Comments
101 - 149% of quota traded	39	Twenty-five (25) reptile quotas may have been exceeded at this level.
150 - 199% of quota traded	10	Fifty percent (50%) of all quotas potentially exceeded at this level were for reptiles.
200 - 399% of quota traded	11	These potential excesses were divided among mammals, birds, and reptiles - mostly reptiles.
400 - 799% of quota traded	1	<i>Strombas gigas</i> meat - ranched; exported by a non-Party.
800 - 999% of quota traded	2	Wild <i>Python regius</i> and tree fern parts (<i>Cyathea contaminans</i>).
+ 1,000% of quota traded	2	Wild <i>Python regius</i> and wild <i>Pandinus imperator</i> specimens.
Exports occurred when a zero quota or no quota was set	3	Interpretation problems probably played a role; trade in specimens not covered by the quota source code occurred.

Based on a review of the WCMC data and the causes of the potential overages, it is unclear in many circumstances whether specific export quotas actually were exceeded. This uncertainty is largely the result of a number of factors related to inadequate permit issuance controls, data monitoring and reporting, and late or non-submission of annual reports on trade in CITES-listed species.

Given the widespread use of quotas by the Parties, whether nationally set, established by the Conference of the Parties, or based on recommendations of the Standing Committee, a system needs to be established so the Parties can properly implement and enforce these standards.

Recommendations

Given the increasing use of nationally reported export quotas, and the wide divergence in national systems being used to manage implementation systems and procedures, it is likely that the problems resulting from the confusion surrounding quotas will continue and possibly expand. Widely agreed uniform standards are needed to provide a framework for effective implementation of export quota programs.

The Parties should consider the establishment of an Export Quota Working Group at COP12 to consider these issues and develop procedures to address existing shortcomings. The Parties should authorize this Working Group to continue on an inter-sessional basis, to address issues that remain unresolved following COP12. Draft Decisions on quota implementation are presented in Annex 3.

Description of select quota procedures and systems for Appendix I and Appendix II species:

- *Leopard hunting trophy and skin quotas* - Resolution Conf. 4.13 (adopted in 1983) established quota procedures for leopard (Panthera pardus, App. I) to allow trade in trophies and non-commercial skins from pest specimens in several African Parties, or specimens taken to “enhance the survival of the species.” This system was reviewed at subsequent COPs and is currently in place for eleven Parties (Botswana, Central African Republic, Ethiopia, Kenya, Malawi, Mozambique, Namibia, South Africa, United Republic of Tanzania, Zambia, and Zimbabwe). The current Resolution (Conf. 10.14) directs the Secretariat to recommend to Parties that they suspend imports of leopard specimens if any of the covered countries do not meet specified reporting requirements.
- *Markhor hunting trophy quotas* - Markhor (Capra falconeri) were up-listed to Appendix I at COP9 in 1994. Similar to the leopard resolution discussed above, Conf. 10.15 (Rev.), adopted at COP10 in 1997, allots an annual export quota of six markhor non-commercial trophies from Pakistan. Conf. 10.15 (Rev.) recognizes community-based management efforts in Pakistan, and notes that Pakistan will implement annual surveys of wild populations.
- *Appendix I quotas* - Currently covered by Conf. 9.21, the management of export quotas for Appendix I species had its genesis in the regulation of exports of hunting trophies (Resolution Conf. 2.11 (Rev.), “Trade in hunting trophies of species listed in Appendix I”). Conf. 2.11 (Rev.), still in effect, provides guidance to the Parties on the coordination and, conversely, independence of non-detriment findings *vis-a-vis* exporting and importing countries. Conf. 9.21 complements Conf. 2.11 (Rev.), by providing instructions to the Parties that proposals to establish export quotas for Appendix I species should be submitted to the Secretariat 150 days before the start of a COP.
- *African elephant ivory quotas* - In the 1980s an export quota control system for African elephant (Loxodonta africana) ivory, the CITES Ivory Trade Control System (ITCS), was put in place. Various reviewers have either concluded the system was a failure at controlling trade, or a success in reducing or restricting the quantity of ivory on international markets. The first multi-country, single-species quota system of its kind in CITES, the ITCS provided minimal guidance on permit issuance and trade monitoring, and did not contain provisions for mandated reporting or any other incentives to ensure the implementation of nationally set quotas. The ITCS did establish separate parameters for range state trade in raw and/or unmarked ivory, versus trade in ivory from Parties without L. africana populations.
- *Ivory stockpile (and other specimens) quotas* - The most recent development in the treatment of African elephant ivory relates to quotas adopted at COPs 10 and 11. Quotas for the export of stockpiled raw ivory were put into place, at the request of four southern African range states, through the adoption of annotated transfers of L. africana from Appendix I to Appendix II for the populations of these Parties. Annotation °604 (since revised at COP11 to remove the language related to ivory export quotas), allowed for the export of stockpiled raw ivory, up to specific quantities for each covered country (Botswana - 25.3 tons, Namibia - 13.8 tons, and Zimbabwe - 20 tons) no earlier than March 18, 1999, and only to Japan under additional requirements set out in Decision 10.1. [Annotation °604 allows for trade in trophies, leather goods, live animals, and hides, although these specimens were not subject to the quantity limitations applicable to stockpiled ivory.] Amendments to Annotation °604 adopted at COP11 allow for export of stockpiled raw ivory and other elephant products and specimens from the wild population of South Africa. The quota set by the COP for this ivory was zero - the result of a compromise among Parties at COP11 - but there was no numerical limitation placed on the export of other specimens.

- *Sturgeon quotas* - There are currently two kinds of export quotas reported for sturgeon (Acipenseriformes) under CITES, voluntary national export quotas, and obligatory coordinated inter-governmental catch and export quotas. Resolution Conf. 10.12 (“Conservation of sturgeons”), called on range States to establish annual export quotas, and several countries did so. There is no obligation under Conf. 10.12 to base export quotas on scientifically valid non-detriment findings.

Since COP11, however, nationally established sturgeon export quotas have largely been superseded by a system for inter-governmental export quotas. In order to encourage Parties with shared sturgeon stocks to coordinate management efforts, Dec. 11.58 requires range States to set coordinated inter-governmental annual catch and export quotas for shared stocks per basin, or biogeographical region, for all commercial trade in sturgeon. Parties that do not inform the Secretariat by December 31 of the preceding year will be treated as having a zero quota for the following year. Dec. 11.58 does not apply to endemic species or to specimens produced in aquaculture facilities. Thirteen countries submitted quotas for 2002 (Azerbaijan, Bulgaria, Canada, China, Czech Republic, Hungary, Iran, Kazakhstan, Romania, Russian Federation, Ukraine, United States, and Yugoslavia).

- *Cheetah* - The Parties have adopted quotas for the export of live cheetah (*A. jubatus*) and sport-hunted trophies. However, while Appendix I species-specific export quotas, as discussed above, were implemented via resolution, the cheetah quotas are in place through an annotation to their App. I listing. Annotation °603 sets annual export quotas for cheetah specimens for three Parties, Botswana (5), Namibia (150), and Zimbabwe (50).

Specific problems identified for nationally reported Appendix II export quotas:

Permit issuance: In order for an export quota system to function smoothly permits must be properly issued. Irregularities in permit issuance undermine cooperative efforts among Parties, and can create negative conservation impacts and law enforcement problems. In reviewing the WCMC report on trade in quota species for 1999, the following areas appear to cause problems.

- Source codes: Most quotas reported designate specific sources for the specimens in trade (e.g. wild, captive bred, etc). However, some exporting Parties issue permits and/or report trade for species covered by quotas, using source codes that are not included in their quota. For example, when a quota is for wild specimens, inappropriately some Parties issue permits with other codes (F, C, and/or R), without applying the permit towards the quota. When importing Parties report the trade, source codes may become confused and annual export quota trade overages appear to exist if importing countries report only the source codes listed in the quota, rather than on the permits accompanying shipments.
- Permit re-issuance: Permits are often re-issued for a variety of administrative reasons (e.g. lost permit, etc). However, annual reports of exports are often based on the original permit, and then reported again based on the re-issued permit. Additionally, some Parties excessively re-issue permits. This not only creates an avenue for fraud and abuse, but a situation in which trade of species under export quotas may be over-reported based on multiple, redundant permits.
- Delayed or premature permit issuance: Some Parties have counted permits issued in one year based upon export quotas of the previous year, or from the forthcoming year.
- Pet permits: Some Parties appear to have issued permits for the export of wild-collected pets of species covered by a quota for wild specimens without reporting the trade against the quota.
- Coordination: There are Parties that allow the issuance of permits from multiple Management Authority offices. At times these offices lack the necessary coordination to ensure that permits are not issued in excess of the set quota.
- Species' names: There have been cases where invalid scientific names are used on permits, such as when a permit is issued at the species level, for elevated sub-species. This creates a situation in which trade may not be counted or reported against the higher taxa quota. It may also lead exporting countries to issue permits in excess of the set quota for a particular species.

Interpreting quotas: In reviewing WCMC's 1999 report, it appears that many Parties and the Secretariat interpret quota implementation and enforcement requirements differently. A possible reason for these differing interpretations is almost certainly the lack of written guidelines for setting and implementing quotas. Based on our observations and the WCMC report, some of the problems are highlighted here.

- Unclear language: Parties have transmitted quotas with inappropriate or unclear terms describing specimens. The use of terms such as "non-productive," which has no meaning in the CITES context, or "ranching," a term applicable only to species transferred from Appendix I to II, can cause confusion.
- No source given: Parties have transmitted quotas to the Secretariat without indicating the source of the specimens, such as wild-caught or captive-bred. While many Parties would interpret a lack of source to indicate wild-caught specimens, Parties might allow the export of captive-bred specimens with the impression that they are not covered under the quota. Or the reverse, Parties might not allow the import of captive-bred specimens.
- Sub-species permits under species quota: In 1999, one Party reported a quota at the species level, but issued export permits for species and subspecies. Reporting this trade, the Party did not record exports of the subspecies against the quota, thus, creating a situation where the reported quota was exceeded.

Monitoring the use of quotas: "Guidelines for the preparation and submission of CITES annual reports" (Notification to the Parties No. 1999/85) provides guidance on the preparation and submission of annual reports. The document provides instructions on the principles, format, terminology, and submission of annual reports,

but is not intended to give specific guidance on the monitoring of trade in quota species *per se*. Based on our observations and the WCMC report, problems regarding the monitoring of quotas are highlighted here.

- Permits issued over quotas: Unfortunately, some Parties have simply issued permits over the numerical limit of a quota. Lax monitoring, multiple permit issuing authorities, frequent cancellation and re-issuance of permits, unlawful issuance of export permits, and other reasons contribute to Parties issuing permits over their own quotas.
- Reporting discrepancies: The 1999 WCMC report demonstrates that national reporting of trade in quota species is problematic. Importing and exporting Parties often report inconsistent trade levels, with importing Parties regularly reporting trade levels higher than exporting Parties.
- Trade after a ban is lifted: A small number of Parties have exceeded annual export quotas immediately following the lifting of a temporary moratorium on the issuance of export permits. This problem may be related to pressure applied from exporters, who may have been stockpiling specimens for export during the period of a trade moratorium.

Reporting trade in quota species: As discussed above, accurate and uniform trade reporting is critical under CITES. Problems that exist in reporting trade could often be avoided if Parties adhered to existing CITES standards on preparation and submission of annual reports. Those standards are in Resolution Conf. 11.17 (“Annual reports and monitoring of trade”) and the subsequently issued Notification No. 1999/85 (“Annual Reports”). Review of the 1999 WCMC report, as well as our observations, highlighted some of the problems encountered when Parties summarize trade in their annual reports.

- Reporting not based on actual trade: Many Parties provide annual reports based on permits and certificates issued, rather than actual exports. This often provides an over-count of trade levels if permits are not used, if the quantity exported is less than the quantity permitted, or if re-issued permits are reported on top of original permits.
- Reporting periods: Annual reports should cover all trade that occurred within a calendar year. When annual reports do not cover a calendar year, the information they transmit is not comparable with the trade limits set by quotas.
- Failure to report trade: At times Parties have not included all actual trade in their annual reports. This probably occurs for a variety of reasons, and can lead to quotas being exceeded, or under-utilized.
- Different reporting years: Export of CITES specimens may not occur until the year after a permit is issued, since permits are valid for six months. Thus, importing countries often report trade the year after a permit is issued. This can lead to a miscount of authorized specimens.
- Late or non-submission of annual reports: This is a continuing problem that undermines the use of trade data to manage and implement a quota system properly.
- Different terms used in quotas and permits: Parties report quotas that cover specific parts or derivatives, but often issue permits for live or whole specimens without mentioning such quotas. When exporting and importing Parties submit annual reports, differences in reporting methods lead to uncertainty as to whether this trade should be applied to quotas.
- Failure to include data in annual reports: Some Parties, when submitting annual reports based on permits issued, do not indicate which years specific permits were issued. Therefore, it is unclear to which year’s quota a specific transaction should be applied.
- Quotas set at higher taxa: When quotas are set at a higher taxa level, reporting by exporting and importing countries can differ significantly, creating confusion as to actual trade levels.

Draft Decisions

Regarding the Formation and Terms of Reference of an Export Quota Working Group

Dec. 12.xx The Parties direct the Secretariat to seek funding for a meeting of an inter-sessional Export Quota Working Group.

Dec. 12.xx The Parties direct the Animals Committee to establish an inter-sessional Export Quota Working Group with the goal of developing guidelines for Parties to establish, implement, monitor, and report national export quotas for CITES-listed taxa. The Animals Committee is to consult extensively with the Plants Committee to fulfill the following Terms of Reference (TOR).

- a. The Terms of Reference (TOR) of this working group should include the following:
 1. Particular issues to be addressed should include the problems identified in Annex 2 and additional suggestions or submissions from the Parties.
 2. A provision specifically noting that representatives with expertise in this issue, particularly from Parties with export quotas and from key importing countries, should be invited to participate. The Secretariat shall be invited to send a representative to participate in discussions. The Chair of the Working Group may invite representatives of non-governmental or inter-governmental organizations with particular expertise in this issue to participate in the Working Group.
 3. Following consideration of these issues by the Working Group, in consultation with the Plants Committee, the Working Group shall meet jointly with representatives of the Plants Committee to finalize the interim report cited in #4, below. The Standing Committee shall be invited to send a representative to participate in this joint meeting.
 4. An interim report by the Working Group to the Animals Committee on its progress toward achievement of its goals should be completed by March 31, 2004.
 5. A final report, potentially including draft resolution(s) or decision(s) of the Conference of the Parties (COP), should be submitted by the Working Group to the Animals Committee's last meeting before COP13 and the Animals Committee should submit it to the Parties at COP13.